

9 sources in another state or foreign country shall be allowed as a  
 10 credit against the tax computed under the provisions of this chapter,  
 11 except that the credit shall not exceed what the amount of the Iowa  
 12 tax would have been on the same income which was taxed by the other  
 13 state or foreign country. The limitation on this credit shall be com-  
 14 puted according to the following formula: Income earned in another  
 15 state or country and taxed by such other state or country shall be  
 16 divided by the total income of the taxpayer resident in Iowa. Said  
 17 quotient multiplied times the net Iowa tax as determined on the total  
 18 income of the taxpayer as if entirely earned in Iowa shall be the maxi-  
 19 mum tax credit against the Iowa net tax.

20 2. In the case of nonresident taxpayers, if any net income is re-  
 21 ceived from a business, trade, profession, or occupation carried on  
 22 partly within and partly without the state of Iowa, only such portion  
 23 of said net income as is fairly and equitably attributable to that part  
 24 of the business, trade, profession, or occupation carried on within the  
 25 state of Iowa shall be allocated to Iowa; income from any property,  
 26 trust, estate or other source within Iowa shall be allocated to Iowa,  
 27 except that annuities, interest on bank deposits and interest-bearing  
 28 obligations, and dividends shall be allocated to Iowa only to the extent  
 29 to which the same are derived from a business, trade, profession, or  
 30 occupation carried on within the state of Iowa.

31 3. Taxable income of resident and nonresident estates and trusts  
 32 shall be allocated in the same manner as individuals."

1 SEC. 2. Section four hundred twenty-two point eighteen (422.18),  
 2 Code 1958, is hereby repealed.

Approved May 1, 1961.

## CHAPTER 229

### DISTRIBUTION OF INCOME, SALES AND CORPORATION TAXES

#### H. F. 305

AN ACT relating to the income, corporation and sales tax including the distribution thereof and making a transfer of funds for the manufacture of registration plates for motor vehicles.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. Section four hundred twenty-two point sixty-two  
 2 (422.62), Code 1958, is amended by adding after the word "treasurer"  
 3 in line six (6) a new sentence as follows:

4 "On the effective date of this Act, the treasurer of state shall trans-  
 5 fer three hundred fifty thousand (350,000) dollars to the board of  
 6 control for the purpose of purchasing supplies and materials and for  
 7 the cost of manufacture of motor vehicle registration plates at the  
 8 prison industries."

1 SEC. 2. Section four hundred twenty-two point sixty-two (422.62),  
 2 Code 1958, is amended by striking from lines six (6) to fourteen (14),  
 3 inclusive, all beginning with the words "Ten percent" and ending with  
 4 the word "state" and inserting in lieu thereof the following:

5 "The proceeds of the fees, taxes, interest and penalties collected

6 under this chapter shall, for the first three quarters of each fiscal year,  
 7 be credited monthly to the general fund. During the last quarter  
 8 of each fiscal year an amount equal to ten percent of the net receipts  
 9 collected under division IV of this chapter for the entire fiscal year  
 10 shall be withdrawn from the proceeds collected during said last  
 11 quarter and credited to the road use tax fund created by section three  
 12 hundred twelve point one (312.1) of the Code. The remainder shall  
 13 be credited to the general fund."

1 SEC. 3. This Act being deemed of immediate importance shall be  
 2 in full force and effect from and after its passage and publication in  
 3 The Montezuma Republican, a newspaper published at Montezuma,  
 4 Iowa, and in The Algona Upper Des Moines, a newspaper published  
 5 at Algona, Iowa.

Approved April 5, 1961.

I hereby certify that the foregoing Act, House File 305, was published in The Montezuma Republican, Montezuma, Iowa, April 13, 1961, and in The Algona Upper Des Moines, Algona, Iowa, April 13, 1961.

MELVIN D. SYNHORST, *Secretary of State.*

## CHAPTER 230

### FUNDS FOR MOTOR VEHICLE PLATES

#### H. F. 714

AN ACT to amend house file three hundred five (305), Acts of the Fifty-ninth General Assembly, now on file in the office of the secretary of state relating to funds for the manufacture of motor vehicle registration plates.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. Section one (1) of House File three hundred five (305),  
 2 Acts of the Fifty-ninth General Assembly, is amended by striking  
 3 all of lines four (4) through eight (8) and inserting in lieu thereof  
 4 the following:

5 On the effective date of this Act the treasurer of state shall trans-  
 6 fer three hundred seventy-five thousand (375,000) dollars and an-  
 7 nually on November 1 of each year the treasurer of state shall trans-  
 8 fer four hundred twenty-five thousand (425,000) dollars, to the  
 9 division of motor vehicle registration of the department of public  
 10 safety for the purpose of purchasing supplies and materials and for  
 11 the cost of manufacture of motor vehicle registration plates at the  
 12 prison industries. The border and message on all such motor vehicle  
 13 registration plates, beginning with the plates for the year 1963, shall  
 14 have a reflectorized surface. Any amount unexpended for this pur-  
 15 pose at the end of the biennial period shall be credited to the road  
 16 use-tax fund.

1 SEC. 2. Section two (2) of House File three hundred five (305),  
 2 Acts of the Fifty-ninth General Assembly, is amended by inserting in  
 3 line ten (10) after the word "percent" the following: ", less the  
 4 amount transferred during such fiscal year for motor vehicle regis-  
 5 tration plates as provided in this section,".